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C O N F I D E N T I A L SECTION 01 OF 03 RANGOON 000388

SIPDIS

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TAGS: [SENV](#) [ECON](#) [ETRD](#) [PGOV](#) [PINR](#) [BM](#)

SUBJECT: BURMA: ENVIRONMENTAL IMPACT OF DEFORESTATION

REF: A. RANGOON 374

[B](#). RANGOON 362

[C](#). RANGOON 361

[D](#). 08 RANGOON 699

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Classified By: Economic Officer Samantha A. Carl-Yoder for Reasons 1.4
(b and d).

Summary

[1](#). (C) The Burmese Government estimates the rate of deforestation to be only 0.3 percent annually, but local environmentalists argue the rate is as high as 2 percent a year. The highest levels of deforestation occur in Kachin and Sagaing Divisions. Former Forestry Department officials report that, because Myanmar Timber Enterprise (MTE), the military, and private companies exceed the GOB's annual allowable cut, forests now cover less 42 percent of the country. In addition to depleting forest cover and lowering the quality of remaining timber, the felling of trees causes soil erosion, which in turn leads to increased flooding, and potential loss of biodiversity, including birds, elephants, and tigers. New roads constructed to move logs across Burma's borders further disrupt the ecosystem. Communities who rely on the forests for their livelihoods find it increasingly difficult to scrape out a living. End Summary.

Timber Resources Abound, For Now

12. (C) Burma is home to more than half of mainland Southeast Asia's closed forests and holds approximately 60 percent of the world's teak, according to the FAO. Burma is known for its teak forests, and also has large reserves of ironwood, rosewood, and other valuable hardwoods. Roughly 75 percent of all internationally traded teak comes from Burma, environmentalist Jake Brunner told us. Officially, the Ministry of Forestry estimates that forests cover 51 percent of Burma, with a deforestation rate of 0.3 percent -- one of the lowest in Asia. However, former Director General of the Forestry Department Dr. Kyaw Tint told us that, due to high rates of timber extraction, forests cover less than 42 percent of the country, compared to approximately 53 percent in 1995. The FAO estimates Burma's deforestation rate to be 1.4 percent a year; however, Dr. Kyaw Tint and Biodiversity and Nature Conservation Association Director U Uga argue that the rate likely is as high as two percent annually.

13. (C) U Uga confirmed that MTE, Regional Commanders in Northern Burma, and select crony companies annually exceed the Forestry Department's annual allowable cut (AAC) of 250,000 metric tons for teak and 1.5 million metric tons for other hardwoods. In 2008, MTE, working with crony companies, cut down more than 500,000 metric tons of teak, more than double the AAC, U Uga stated (Ref A). Additionally, Dr. Kyaw Tint estimated that Regional Commanders cut down and exported illegally more than 1 million metric tons of teak and other hardwoods in 2008. Although Burmese law gives the Forestry Department the ability to punish those who violate the timber laws, D. Kyaw Tint noted that those violating the law -- MTE, Regional Commanders, and crony companies -- are doing so with tacit GOB permission. Thus, the Forestry Department is

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rendered powerless, and the rate of deforestation increases annually.

The Effects of Deforestation -----

14. (C) The most obvious impact of deforestation is forest depletion, which includes both the overall size of the forest and the quality of wood grown, Dr. Kyaw Tint noted. To meet demand for timber, MTE and others cut down trees before they are mature, which reduces the sustainability of forests. Between 1990-2005, Burma lost more than 18 percent of its forests and potentially several species of timber, Dr. Kyaw Tint declared.

15. (C) Burma is one of the most biologically diverse countries in Southeast Asia, with a number of endemic animal species, including Bengal tigers, Asian elephants, and more than 1,000 species of birds. Burma has 34 protected areas, including wildlife sanctuaries, national parks, and tiger and elephant ranges. U Uga noted that the areas, totaling 15,000 square kilometers, less than two percent of Burma's land, are increasingly under threat of illegal logging, which leads to loss of habitat and species loss. This is especially the case in Kachin State and Sagaing Division. Anecdotal reports from farmers in Kachin State note that several species of birds endemic to the area are no longer present, U Uga stated. However, since the GOB has not allowed any NGOs to conduct recent studies on species diversity, it is impossible to know for sure whether any species have been lost, U Uga clarified.

16. (C) Deforestation and the methods used to cut and transport logs also cause environmental degradation, U Uga stated. While many in the timber industry use elephants (relatively environmentally friendly) to move felled logs (Ref B), many Chinese and Burmese companies also use heavy machinery to transport timber. Chinese companies have built more than 500 miles of new road in Kachin State, chopping down immature trees during construction, he declared. Due to the loss of trees and soil erosion, the amount of flooding during rainy season in heavily clear-cut areas has increased

and there are more reported landslides, which often destroy communities. U Ohn of local NGO Forest Resource Environment Development and Conservation Association (FREDA) told us that the effects of Cyclone Nargis would have been more limited had a large percentage of the mangrove plantations in the Irrawaddy Division not been cut down. In the case of mangroves, villager harvesting piecemeal for firewood is the prime explanation.

¶17. (C) U Ohn emphasized that high levels of deforestation negatively affect the ability of communities that depend on the forests for their livelihoods. Many Burmese environmental NGOs work with communities to promote sustainable development of forests to meet basic needs. However, as the illegal loggers encroach on community forests, villagers find it increasingly difficult to eke out a living, U Uga explained.

What Local Organizations are Doing

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¶18. (C) As explained in Ref C, most local environmental organizations are focused on providing basic services to communities, rather than advocating on specific issues, such as illegal logging and deforestation. Several NGOs, headed by former Forestry Department officials who remain committed to the idea of sustainable forestry, are working with the Ministry of Forestry on a reforestation program. U Win Aung, Director of Friends of the Myanmar Rainforest (FORM), told us that his NGO has replanted more than 250 acres of teak and other hardwoods in the past five years, a very modest beginning. The Ministry of Forestry remains willing to provide FORM with additional land for its reforestation program. However, lack of funding limits FORM's ability to increase the rate of reforestation.

¶19. (C) Dr. Kyaw Tint confirmed the Ministry of Forestry has a reforestation program, and acknowledged the program is severely underfunded. The Forestry Department continues to focus on replanting teak and other hardwoods in Shan and Kachin States, areas where illegal logging is the most severe. Dr. Kyaw Tint said that during the past year, the GOB has granted more permits to private Burmese companies, including Htoo Trading and IGE Co. Ltd., for reforestation programs. However, instead of promoting reforestation, these companies are instead using the land for teak plantations, which he argues is not reforestation. The objective of these plantations, he noted, is to grow teak for future export.

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